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DESERET NEWS, SATURDAY, JUNE 25, 1994

2 firms joining forces to reopen Tintic mine

Associated Press

EUREKA, Juab County — Two mining companies are forming a joint venture to reopen the Burgin Mine, bringing as many as 500 new jobs to this tiny town.

Chief Consolidated Mining Co., owner of the Burgin Mine, and Akiko Gold Resources Ltd. of Canada will reopen the mine, located about two miles north of Eureka.

The mine closed in 1986. Geologists estimate that it contains at least 23.9 million ounces of silver, more than 275,000 tons of lead and some 90,000 tons of zinc. Gold also may be in the mine.

Chief Consolidated President and Chairman Leonard Weitz said the current mine reserves are worth an estimated gross value of \$400 million.

Plans call for Akiko to purchase 1,035,000 shares of Chief Consolidated's common stock at \$4.00 per share. The Canadian company will be the operator for the development and mining of the Burgin Mine.

The two companies will begin a \$2.5 million program this fall. It involves increasing the mine's reserves to 3 million tons. Actual production will begin in 1996.

At that time, "we intend to begin

production at full capacity," Weitz said. "A full Burgin operation would be 400 to 500 people."

The mine is located in the Tintic Mountains near the Tintic Standard mine, which was once the world's largest silver producer.

Eureka Mayor David Kay said the project could be a boon to the city's economy.

Because of the current building and in-migration boom in neighboring Utah County, Kay said Eureka has seen a slight improvement.

"For the first time in years all the houses in Eureka are occupied," he said.

BY THE WAY